

CITY OF SAN DIEGO  
FISCAL YEAR  
**2008** PROPOSED  
BUDGET

# Mayor's Budget Message





## THE CITY OF SAN DIEGO

Ladies and Gentlemen:

It is my pleasure to present my Fiscal Year 2008 Proposed Budget. This budget continues the necessary fiscal reforms that I began in Fiscal Year 2007 under San Diego's new Strong Mayor form of government and addresses the significant fiscal initiatives laid out in the City's first Five Year Financial Outlook.

The total City budget for Fiscal Year 2008 is \$2.886 billion including \$1.1 billion for General Fund operations. The budget is posted on the City's website at [www.sandiego.gov](http://www.sandiego.gov) for convenient access.

In Fiscal Year 2007, I released the first multi-year financial plan for the City. In the Five-Year Financial Outlook, I identified eight significant areas that must be addressed in order to restore or preserve the fiscal integrity of the City and/or meet our legal and operational obligations. The **Fiscal Year 2008 Proposed Budget** includes these significant areas: funding for deferred maintenance and capital needs; funding the City's ADA obligations; funding for the City's new obligations under the Storm Water Runoff Permits; an advanced contribution for the employee pension plan; funding for retiree health (OPEB); funding for the City's General Fund reserves; and a contribution for the Public Liability Fund. A contribution to fund the Workers Compensation Fund reserve, the eighth significant area, is identified for funding in the Financial Outlook beginning in Fiscal Year 2009.

This budget reflects the hard choices you elected me to make in order to bring the City back to fiscal health. Funding for critical public services remains a priority and this budget includes proposed multi-million dollar increases to both the Fire-Rescue and Police Departments' budgets.

The City has become more efficient. The streamlining and Business Process Reengineering that began last year will continue into Fiscal Year 2008 to examine and redesign virtually every process and system of City government. In the Fiscal Year 2008 Proposed Budget, 671.53 positions or Full Time Equivalents (FTE) and associated cost have been eliminated citywide as a result of intensive streamlining efforts. An additional 177.73 FTE have been eliminated from the budget to more accurately account for the hiring of hourly and part time staff. Service levels are not expected to be impacted through streamlining efforts and position reductions due to efficiencies. We will also be working to implement the Managed Competition reform that the voters approved last November.

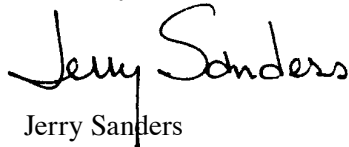
The release of the City's 2003 Audit and the unqualified audit opinion was a milestone in moving the City forward in accessing the public credit markets to finance long-delayed infrastructure improvements. We expect that the fiscal years 2004, 2005, 2006, and 2007 audits will be completed before the end of Fiscal Year 2008.

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Although the Fiscal Year 2008 Proposed Budget funds the eight significant areas as presented in the Five-Year Financial Outlook while maintaining current programs and services, the updated Financial Outlook suggests that the Fiscal Year 2009 budget will require that the City re-examine services and service levels.

Thank you for your continued interest and attention.

Sincerely,

A handwritten signature in black ink that reads "Jerry Sanders". The signature is written in a cursive, flowing style.

Jerry Sanders  
Mayor